



Chemonics International

USAID RAISE IQC No. PCE-I-00-99-00003-00, Task Order 808

Madagascar ReCAP Rural Roads Cyclone Rehabilitation Project

Second Quarterly Report

April 1, 2001 to June 30, 2001

Submitted June 8, 2001

This report is submitted before the end of the quarter at the request of USAID/Madagascar, therefore projections of expenses and activities to the end of the quarter had to be made.

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List of Acronyms

ADB	African Development Bank
AUP	Association d'Usagers de Pistes (Road Users Association)
CCM	Comité Centrale de Marchés
CO	Contracting Officer
COP	Chief of Party
EIA	Environmental Impact Assessment
ESF	Environmental Screening Form
FCE	East Coast Rail Line
FMG	Malagasy Francs
GOM	Government of Madagascar
IQC	Indefinite Quality Contract
IRR	Internal Rate of Return
LDI	Landscape Development Interventions
MOE	Ministry of Environment
MTP	Ministere des Travaux Publics
ONE	Office Nationale de l'Environnement
RAISE	Rural and Agricultural Income with a Sustainable Environment
RFP	Request for Proposals
RIP	Route d'Intérêt Provincial (Road of Provincial Interest)
RNT	Route Nationale Temporaire (Temporary National Road)
SG	Secretary General
TVA	Value Added Tax
USG	United States Government
USAID	United States Agency for International Development
VE	Value Engineering
WWF	World Wildlife Fund

1. Introduction

Technical activities commenced this quarter including the drafting of engineering plans, consultant visits and socio-economic studies. A model construction contract was drafted for the construction work and potential firms were pre-qualified. During the second week of June, the Request for Proposals will be launched for the first phase of the rehabilitation of the RIP 4/RNT 14. Possibly late this quarter, potential firms will also be asked to submit proposals for the rehabilitation of the Wharf and Warehouses at the Port of Manakara. ReCap, in consultation with USAID and the local authorities will have also chosen the tertiary roads that will be rehabilitated this year.

2. Report on Results

ReCap activities have not been completed therefore there are no results to report on as of the end of this quarter. The objectives and the results obtained to date are shown below:

Table 1 : ReCap Results Tracking Table

Results	Target	Completed to Date	Percent Completed
RIP 4 rehabilitated	93 km.	0	0
Road User Associations created along the Rip 4	20	0	0
Tertiary Roads Rehabilitated	140 km.	0	0
Road User Associations Created along the Tertiary Roads	30	0	0
Makara Port Warehouse Roof Repaired and Wharf Stabilized	2	0	0

3. Procurement Plan

All office equipment were shipped at the end of the first quarter and arrived at the start of this quarter. These included computer equipment, photocopiers, office supplies and accessories. Almost all of the office furniture was purchased locally, in addition to the three project vehicles and 10 motorcycles.

At the end of May, appliances and some furniture for the use of the COP arrived at the Port of Tamatave. In early June an air shipment containing his personnel effects will arrive and the sea shipment with the remaining items will arrive during the next quarter. Household furniture was also purchased and will be shipped during the month

of June with a probable arrival during the third quarter. The table below shows the details of our remaining procurement.

Table 2 : Procurement Plan

Shipment	Carrier Name	Expected Arrival Date
Household Furniture	Unknown	August 2001

4. Progress Against Milestones

There are no significant delays against milestones reported in the Implementation Plan. The exceptions are the completion of the ESF and the drafting of a model contract; however, these two activities will not have any effect on the launching of the RFP. In fact, the launching of the RFP will be delayed only for one week due to an additional pre-qualification stage that was added to the process.

5. Activities during the Quarter

a. Ken Rikard and Anthony Carvalho Consultancies

Ken Rikard arrived in country at the end of the First Quarter after the submission of the First Quarterly Report; consequently, the details of his trip will be elaborated here.

Mr. Rikard is a Civil Engineer and expert in Value Engineering (VE). The objectives of his consultancy were to provide engineering advice to the ReCap team and to transmit some Value Engineering knowledge for use in our projects. On March 23, 2001, a VE workshop was organized at the American Cultural Center. Participants included the USAID C.O. and Project Manager, ReCap technical staff, Government technicians and representatives of private construction companies. The USAID C.O. introduced Mr. Rikard and stated that VE is now required for all USG funded projects. The audience was very receptive to VE concepts introduced during the workshop and the hope is that some of the ideas will be implemented here in Madagascar. A summary of the proceedings was distributed to all workshop participants.

Anthony Carvalho arrived on March 23 for three weeks. The objective of his work with ReCap was to review the road and bridge designs that were being prepared by the ReCap staff.

On March 25th, Mr. Rikard, Jean-Claude Razanaparany (the ReCap Chief Studies Engineer), Anthony Carvalho and the COP traveled to Fianarantsoa en route to visiting the RIP 4, FCE railroad and the Port of Manakara. The trip was organized with the assistance of LDI staff who also took the opportunity to show us two potential roads that required rehabilitation in the Sahasinaka area near Manakara.

The section of the RIP4 (RNT14) that will be rehabilitated during the ReCap project is ninety-three kilometers long and starts at the Route National 12 at Ifanadiana and ends at Ikongo. The road cuts through a very scenic area of the National Forest and is traversed at its middle by the FCE rail line (see map). The road serves as a feeder road to both the National highway and the railroad and is as a vital transportation link for the local population. It also reduces pressure on the forest area by providing an outlet for farmer produce.

The road was last rehabilitated in 1993 and since then has deteriorated significantly, being barely passable during the rainy season. The major problem noted by Mr. Rikard was the lack of drainage structures that caused severe damage to the rolling stock. A priority of the road rehabilitation should be to improve the drainage along the road surface. The picture below shows a section of the road in need of improved drainage structures.

Figure 1: RIP 4/RNT 14 at PK 18.400



The more serious problem on the road has to do with the state of the bridges. There is one metal structure and one wooden bridge at the entrance of Tolongoina that are in need of repair. A third metal structure at the exit of Tolongoina collapsed in November 2000. Only the bridge at PK 10 is passable and safe, however reinforcement is needed. The regional office of Public Works, largely due to our warnings has recently closed the two bridges at the entrance to the town. Again due to our instigation, the government has committed itself to repairing the four bridges on the RIP 4 this year. In order to not delay our work, we will be working around the closed structures this year and will complete the rehabilitation of the road between the damaged bridges next year. Below you will see one of the badly damaged bridges along the RIP 4.

Figure 2: RIP 4 Bridge at PK 42



After surveying the RIP 4 we traveled from Manampatrana to Sahasinaka along the FCE railroad. We observed canal cleaning and rehabilitation work that was being undertaken by LDI as well as slope and rail-bed stabilization works.

At Sahasinaka we met with the mayor who presented a thirty-three kilometer road that he would like ReCap to rehabilitate. We visited the road then left for the Agroman farm where Agroman and the mayors of the area presented a request to rehabilitate another road that goes from the area east of the RN 12 to the station at Sahasinaka. The rehabilitation of this road will also help the farmers of the area, in particular Agroman, in getting their crops to market.

The next day we visited the Port of Manakara where we saw that the wharf and the warehouses were in a serious state of disrepair. It was also obvious that there was not much activity at the Port and it would not be necessary to repair all of the eight warehouses since it is unlikely that they will be used in the near future. The extent of the warehouse repairs will depend on the funds that are left over from the rehabilitation or complete reconstruction of the north wharf.

The south wharf was recently rehabilitated, however the rehabilitation was only superficial and there still are serious structural weaknesses to the pillars. However those repairs go beyond the funds that are available for the port. The north wharf that is not currently being used due to the danger of its collapse will be the focus of our efforts. However, due to the extensive structural damage ReCap may be unable to undertake all of the work that would be needed. While our consultants recommended a superficial repair to the structure, both the Marines and our in-house engineer see the need for the complete reconstruction of the wharf. Further analysis will determine the extent of the repairs. The picture below shows the state of the north wharf.

Figure 3: Wharf at the Port of Manakara



Mr. Rikard left on March 30 following a de-briefing that day at USAID where he emphasized the continued danger to the public of the bridges on the RIP 4. The following week, Mr. Carvahlo traveled to Fianarantsoa to meet with the Regional Director of Travaux Publiques to report on the state of the bridges and to find out what the ministry planned to do about them. At our urging a team was sent to report on the state of the bridges and during the month of May two of the bridges were closed for traffic. As stated earlier, the MTP made a commitment to repair the bridges this year using funds from the ADB and funds from their regular budget.

Mr. Carvahlo also visited the Ambalavao road, a road on our proposed list of projects. This road starts near the RN 7 and leads into the Andringitra National Park, an area where the WWF intervenes and with a substantial potential for agricultural production. The local population has also been maintaining the road themselves on their own initiative but they have been limited by the lack of funds and material to repair the wooden bridges. As Mr. Carvahlo noted in his report, a complete rehabilitation of this road may cost more than what was budgeted but our approach would be to intervene at the worst spots and to repair the bridges. The picture below shows the state of one of the bridges on the Ambalavao road.

A visit was also made to a bridge that was washed away during a severe rainstorm in 1978 in the Vavatenina region. However, since the region did suffer from cyclone damage and the road beyond the bridge leads to the forest corridor and an LDI project area ReCap felt that it fell within our selection criteria and merited consideration. The bridge is vital to the local economy and would re-vitalize agricultural production. The road leading to the bridge is scheduled to be repaired this year, therefore, ReCap will wait until the road is rehabilitated before conducting a feasibility study on the construction of a new bridge at Vavatenina.

Figure 4: Wooden Bridge on Ambalavao Road



Mr. Carvahlo also traveled to the Bekobay road in the Mahajanga region to visit a road that was rehabilitated under the CAP project. The objective of his visit was to observe how the structures have withstood over time and the state of the AUP. He concluded that the box culverts that were used proved to be more resistant than the raidiers. As for the AUP, he noted that they were still very active despite their financial difficulties.

b. Visits to Government Ministries

On April 4 the GOM organized the *Congres Malgache de la Route*. ReCap staff participated and took the opportunity to meet the different players in the road construction sector and to learn about new initiatives and projects.

Later that week, ReCap staff along with representatives from USAID paid a courtesy visit to the Minister of Travaux Publics, Mr. Jean Emile Tsaranazy. The primary objective of the visit was to inform him of our intervention along the RNT 14, but also to obtain more information on the proposed ADB funding for the rehabilitation of the RNT 14. The Minister informed us of the GOM road rehabilitation strategy which consisted of using funds raised from the fuel tax to rehabilitate the National Roads, in particular those leading to the major ports, and secondly the feeder roads to these National Roads. He recommended that we concentrate our efforts on the same types of roads, nonetheless he agreed that the rehabilitation of the RNT 14 fits into the national strategy because it feeds into the RN 12. Regarding the ADB funding, he stated that they were about to launch bids for the acquisition of Bailey bridges for the RNT 14.

Later that month, the ReCap COP and the USAID Program Manager met with the SG of the MOE, Mr. Seth Arsene Ratovoson, also with the objective to inform him of the project. He stated his desire to be kept informed of major activities and his desire for us to intervene in the Vatondranomainty region. He stated that the region was one of the

hardest hit by the cyclones and that if CARE did not intervene in the region, the population would have endured greater suffering than it did after the cyclones.

c. Socio-Economic Studies

During the month of April, Socio-Economic Studies had begun in the communes surrounding the RIP 4. The studies are conducted in order to calculate the Internal Rate of Return (IRR) of the project using estimated production data for the area, traffic on the road and savings resulting from the road rehabilitation. The study reported that the road rehabilitation would lead to an annual increase in production of nearly three billion FMG in the region with an IRR of thirty-seven percent.

While there were concerns regarding the creation of AUP's along a National Road, the local and provincial authorities along with the population have agreed to the formation of AUP's along the RNT 14. Further discussions will be held to determine if tolls may be collected and the communes have pledged to contribute their share to the road maintenance fund.

Since the month of May, ReCap staff have been in the field conducting training and organizational sessions with the members of the AUP's in the seven communes bordering the RNT 14. As of the end of May, the members have been elected and they are drafting up their statutes and regulations. It should be noted that only seven AUP's will be created along the RNT 14 instead of the twenty estimated by USAID in the Task Order. The practice has been to create no more than one AUP per commune given the legal and financial constraints. Chemonics ReCap may submit an amendment to the Task Order reducing this result to the more realistic figure.

d. Technical Studies and the Preparation of the Bidding Documents

ReCap staff have been working during the quarter to complete the technical documents, list of quantities and prices, and subcontracting documents needed in order to launch the bidding process for the work during the month of June. With support from the Chemonics Home Office project team and the legal counsel a model subcontract has been drafted for the construction work. The process took much longer than anticipated for a number of reasons, including the fact that the basic documents that were used during CAP, were in French and had to be translated to English. In addition, CAP construction work was not directly funded with USAID funds therefore the documents and procedures had to be revised to take into account USAID regulations. The documents were submitted for approval in late May and USAID has stated that they do not have any objection to our use of the contract documentation. USAID comments will be incorporated into a final version that will serve as a basis of our subcontracts.

It should also be noted that during the drafting of the subcontract the TVA issue was raised. Even though USAID projects are exempted from paying all taxes and duties, major construction contracts have to be approved by the CCM of the Ministry of Finance so that the amount of the TVA can be registered in the budget. In order to

streamline the procedures and to avoid delays in the start of our work, ReCap, through USAID, will be submitting an Implementation Letter to the GOM in order to ensure that the construction companies will be exempt from paying the TVA.

Following an earlier meeting with USAID where it was decided that an EIA would not be needed for the program and an ESF would suffice, ReCap submitted a proposal to the MOE/ONE that would allow us to use the same ESF that would be submitted to USAID instead of completing a separate EIA for the GOM as required under their environmental regulations.

e. Requests for Proposals

In mid-May, an ad was placed in the local papers inviting construction companies to submit documentation in order to be pre-qualified to bid on ReCap construction work. Fifty-one firms responded to the advertisement and eighteen met the stated criteria of having adequate construction equipment, qualified technicians and having fulfilled contracts greater than five hundred million FMG. A second pre-qualification stage was added in order to be completely in compliance with FAR 104.9. The eighteen firms were then asked to submit additional information regarding their tax payments, financial statements and were also asked to complete a questionnaire that will be used to evaluate the firms capability to carry out and complete the work. Responses are due by noon on June 11, 2001. After evaluating the responses, the firms then deemed qualified will be invited to purchase the bidding documents and will have an opportunity to prepare proposals for one of the two Lots on the RNT 14. A site visit will also be organized during the second part of June. Firms will have until the first half of July to submit their proposals, the contract negotiations will occur during the last two weeks of July and work should commence by the beginning of August.

f. Selection of Tertiary Roads

Chemonics ReCap and LDI received forty-five requests for rehabilitating tertiary roads. Of those requests, those not within the USAID priority zones were eliminated. Those remaining were evaluated and a short-list of proposed roads was prepared. After an analysis by the ReCap staff the short-listed roads were presented to USAID for further discussion. Socio-economic studies and technical studies will start during the month of June that will allow us to come to a final choice of tertiary roads to be started this year.

6. Activities for Next Quarter

During the next quarter work will begin on the two sections of the RIP 4, the bid will be launched and work may begin at the Port of Manakara, Technical and Socio-economic studies will be completed for the tertiary roads and the bids for the works will be launched during the next quarter. It is also likely that work may begin on the tertiary roads before the end of the next quarter as well.

7. Expenses

Note that the figures for May and June are estimates due to the fact that USAID required us to submit this quarterly report before the end of the quarter.

Table 3 : Project Expenses by Line Item

Line Items	Budget	Previous Total	April 2001	May-June 2001 (est.)	Total Expenses to Date (est.)
Work days Ordered	893,080	75,399	54,765	54,666	184,830
Material	4,251,304	113,907	124,531	75,224	313,662
General and Administrative	205,416	5,445	5,953	3,596	14,994
Total	5,349,800	194,751	185,248	133,486	513,486

**Annex 1 - Additional Pictures
RIP 4/RNT 14**

**PK
31.700**



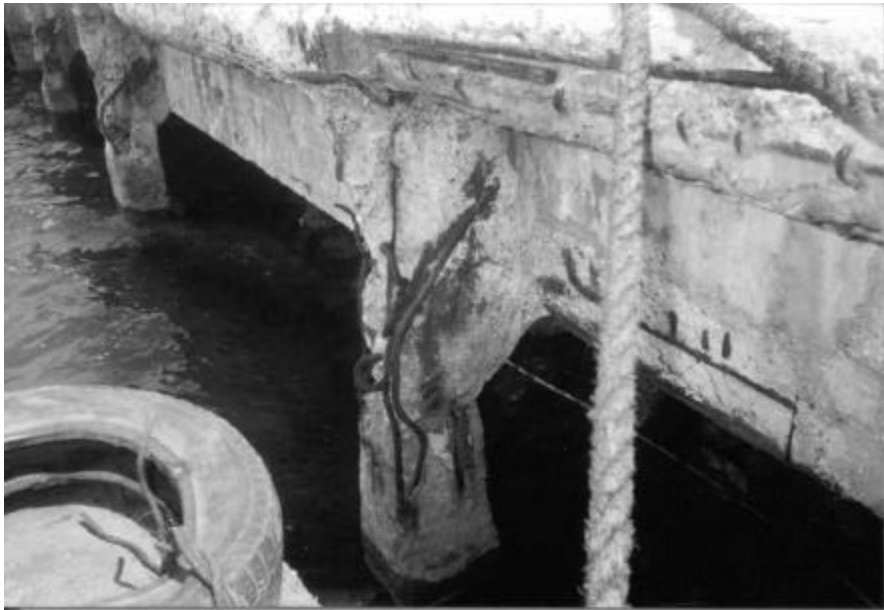
**PK
21.919**



**PK
11.900**



Port of Manakara



Annex 2

Map of the RIP/RNT 14 Area and the FCE